

Keith B. Dalen (KD-4997)
Christopher M. Panagos (CP-2199)
HILL RIVKINS & HAYDEN LLP
45 Broadway, Suite 1500
New York, New York 10006
Tel: (212) 669-0600
Fax: (212) 669-0699
Attorneys for Plaintiff

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

THE RICE COMPANY,

Plaintiff,

vs.

EXPRESS SEA TRANSPORT CORPORATION,

Defendant.

: Index No.: 07 Civ. 7077 (WHP)

: **ANSWER TO COUNTERCLAIM**

Plaintiff, The Rice Company, by its attorneys, Hill Rivkins & Hayden LLP, as and for its answer to defendant's counterclaim asserts upon information and belief as follows:

1. Admits the allegations in Paragraph 20 of the Verified Answer with Counterclaim.

2. Admits the allegations in Paragraph 21 of the Verified Answer with Counterclaim.

3. Admits that certain disputes have arisen between plaintiff and defendant and except as so admitted deny the allegations in Paragraph 22 of the Verified Answer with

Counterclaim.

4. Denies the allegations in Paragraph 23 of the Verified Answer with Counterclaim.

5. Admits the allegations in Paragraph 24 of the Verified Answer with Counterclaim.

6. Admits the allegations in Paragraph 25 of the Verified Answer with Counterclaim.

7. Admits that the counterclaim arises from the same transaction that forms plaintiff's claim and except as so admitted denies the allegations in Paragraph 26 of the Verified Answer with Counterclaim.

8. Denies the allegations in Paragraph 27 of the Verified Answer with Counterclaim.

9. Admits the allegations in Paragraph 28 of the Verified Answer with Counterclaim.

10. Denies the allegations in Paragraph 29 of the Verified Answer with

Counterclaim.

11. Denies the allegations in Paragraph 30 of the Verified Answer with Counterclaim.

12. Denies the allegations in Paragraph 31 of the Verified Answer with Counterclaim.

13. Admits that defendant currently holds the sum of \$697,565.13 which belongs to plaintiff and except as so admitted denies the allegations in Paragraph 32 of the Verified Answer with Counterclaim.

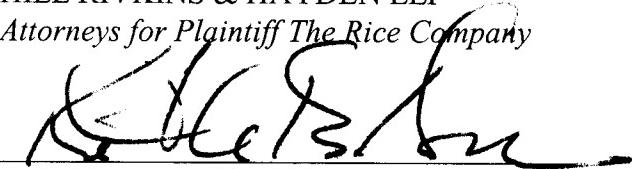
AS AND FOR A FIRST AFFIRMATIVE DEFENSE

The dispute herein is subject to arbitration in London. Arbitration has already been instituted and the parties shall be arbitrating all disputes therein.

Dated: New York, New York
October 5, 2007

HILL RIVKINS & HAYDEN LLP
Attorneys for Plaintiff The Rice Company

By:


Keith B. Dalen (KD-4997)

Thomas E. Willoughby (TW-4452)
Christopher M. Panagos (CP-2199)
45 Broadway, Suite 1500
New York, New York 10006
Tel: 212-669-0600
Fax: 212-669-0699